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COA, INC. dba COASTER COMPANY OF AMERICA

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

COA, INC. dba COASTER
COMPANY OF AMERICA, a
California corporation,

Plaintiff,

vs.

HOME MERIDIAN
INTERNATIONAL, INC., a Virginia
corporation, and DOES 1-9, inclusive,

Defendants.

CASE NO.

**COMPLAINT FOR DECLARATORY
RELIEF RE:**

- (1) **Non-infringement of Unregistered Product Configuration Trade Dress Under the Lanham Act;**
- (2) **Invalidity of Unregistered Product Configuration Trade Dress Under the Lanham Act;**
- (3) **No Violation of North Carolina Unfair and Deceptive Trade Practices Act; and,**
- (4) **No Violation of North Carolina Common Law Unfair Competition**

JURISDICTION AND VENUE

6. This Court has jurisdiction over the subject matter of the claims stated herein pursuant to 28 U.S.C. §§ 1121(a), 1331, 1338(a), 1338(b), 1367, 2201, and 2202.

7. Defendant is registered to conduct business in the State of California, as indicated on the California Secretary of State website. Defendant's California "Entity Number" is C3294956. Attached hereto as **Exhibit 1** is a printout of the page for Defendant on the California Secretary of State website.

8. Defendant has an agent for service of process located in downtown Los Angeles, California.

9. Defendant also has a substantial distribution center located in Redlands, California, within this judicial district. Attached hereto as **Exhibit 2** is an image from Google Maps Street View showing Defendant's distribution center in Redlands, California. On information and belief, Defendants' Redlands, California distribution center consists of at least several hundred thousand square feet of warehouse space. Defendant's website (<http://www.homemeridian.com/hmi/about/global-connectivity>) touts the following: "Bicoastal distribution centers in California and North Carolina provide for more than 750,000 sq. ft. of warehouse space. These strategically located centers can reach nearly all of the US population within 36 hours, reducing transportation costs and increasing operating efficiencies." Thus, Defendant greatly benefits from having a massive distribution center in this judicial district.

10. On information and belief, Defendant imports a substantial amount of furniture through the ports in this judicial district in Los Angeles and Long Beach, including the furniture for which trade dress protection is claimed by Defendant, which is known as the Samuel Lawrence Platinum/Diva bedroom collection. Attached hereto as **Exhibit 3** is an image from the internet of Defendant's Platinum/Diva bedroom collection.

1 11. On information and belief, Defendant has inventory of the furniture for
2 which trade dress protection is claimed by Defendant in its Redlands, California
3 distribution center, and it transports the Samuel Lawrence Platinum/Diva bedroom
4 collection for which trade dress protection is claimed by Defendant from its
5 Redlands, California distribution center to locations within this judicial district, as
6 well as other locations in and out of California.

7 12. On information and belief, Defendant offers for sale the Samuel
8 Lawrence Platinum/Diva bedroom collection for which trade dress protection is
9 claimed by Defendant through retailers in this judicial district, including, but not
10 limited to, Mathis Brothers in Ontario, California; Reed's Furniture in Agoura Hills,
11 California and Oxnard, California; and, Visions In Furniture in La Mirada,
12 California and Anaheim, California. In other words, Defendant sells the Samuel
13 Lawrence Platinum/Diva bedroom collection to retailers in this judicial district.

14 13. Defendant knows, is believed to know, and/or reasonably should know
15 that Coaster is a California-based corporation, with its principal place of business in
16 this judicial district.

17 14. Venue is proper in this judicial district pursuant to 28 U.S.C. §
18 1391(b)(1) inasmuch as Defendant "resides" in this judicial district by virtue of its
19 massive distribution center in this judicial district, and its being subject to the
20 personal jurisdiction of this Court. Venue is also proper pursuant to 28 U.S.C. §
21 1391(b)(2) in that a substantial part of the events or omissions giving rise to the
22 claim occurred in this judicial district – namely, Defendant accused a corporation
23 residing in this judicial district of product configuration trade dress infringement,
24 and, it would be expected that a significant amount of the proof Defendant may rely
25 upon in this case in its attempt to prove its claims would be based on evidence and
26 activities that have taken place in this judicial district.

27 15. Defendant privately, via cease and desist letter, accused Coaster of
28 infringing the unregistered product configuration trade dress that Defendant alleges

1 protects the design of the Samuel Lawrence Platinum/Diva bedroom collection, and
2 also accused Coaster of violating North Carolina's Unfair and Deceptive Trade
3 Practices act and North Carolina's law of unfair competition on substantially the
4 same basis as the trade dress claim. Attached hereto as **Exhibit 4** is a copy of the
5 cease and desist letter sent by Defendant to Coaster. Coaster denies Defendants'
6 allegations of infringement and denies the related violations under North Carolina
7 law. Coaster denies that any protectable product configuration trade dress exists for
8 the Samuel Lawrence Platinum/Diva bedroom collection based on, at least, both
9 genericness and lack of secondary meaning. Attached hereto as **Exhibit 5** are
10 images of other furniture items believed to currently exist in the market for which
11 many, if not all, of the elements of the design of Defendant's product can be
12 observed. Coaster also denies that its accused design infringes any protectable
13 product configuration trade dress for the Samuel Lawrence Platinum/Diva bedroom
14 collection that might exist. Coaster further believes that its accused design
15 represents a fair, aesthetically functional use of commonplace design elements for a
16 bedroom collection. Coaster further denies that it had any unscrupulous, unethical,
17 immoral, or otherwise unfair or deceptive motives in advertising, marketing, and/or
18 offering for sale the accused products. Coaster's purpose was not to trade on the
19 goodwill, if any, in the Defendant's product design or of Defendant itself, but to
20 offer a contemporary bedroom collection design based on common design elements.
21 Furthermore, Coaster extensively markets and advertises itself and its products, and
22 it does not need to create any type of association with Defendant in order to be
23 successful.

24 16. As such, an actual and justiciable controversy exists between Coaster
25 and Defendant with respect to Coaster's alleged infringement of the unregistered
26 product configuration trade dress that Defendant alleges protects the design of the
27 Samuel Lawrence Platinum/Diva bedroom collection, as well the alleged violations
28 of North Carolina's Unfair and Deceptive Trade Practices act and common law of

1 unfair competition.

2
3 **BACKGROUND ALLEGATIONS**

4 17. Coaster is a long-standing member of the furniture industry and has
5 built a well-respected and substantial business based on its offering a wide variety of
6 furniture products in many diverse styles at affordable prices.

7 18. Multiple times each year, Coaster unveils new products at various
8 furniture industry trade shows, including twice-annual shows in Las Vegas, Nevada
9 and High Point, North Carolina.

10 19. From approximately April 18-23, 2015, Coaster traveled from the Los
11 Angeles area to attend the industry trade show in High Point, North Carolina.

12 20. At the show, Coaster released a new bedroom collection called the
13 Danette collection. Attached hereto as **Exhibit 6** is a photograph of Coaster's
14 Danette bedroom collection.

15 21. On April 20, 2015, Coaster received a cease and desist letter from
16 Defendant that was addressed to Coaster's location in High Point, as well as to
17 Coaster's Registered Agent at its principal place of business at 12928 Sandoval
18 Street in Santa Fe Springs, California, in this judicial district.

19 22. Upon receipt of the cease and desist letter from Defendant, Coaster
20 took the allegations seriously, but determined that the allegations against it were
21 without merit and brought this action to have its rights and obligations determined
22 by the Court under the Declaratory Relief Act.

23
24 **COUNT I**

25 **(Declaratory Relief of Non-Infringement of Unregistered Product**
26 **Configuration Trade Dress under the Lanham Act)**

27 23. Coaster repeats and incorporates the facts and allegations of
28 paragraphs 1 through 22 above, inclusive, as though fully set forth herein.

1 24. Coaster has not, nor has it ever, infringed any product configuration
2 trade dress, if any, regarding the design of Defendant's Samuel Lawrence
3 Platinum/Diva bedroom collection, willfully, intentionally, or otherwise. There
4 exist a number of differences in the design of the parties' respective products such
5 that no likelihood of confusion is believed to exist (including, but not limited to, (1)
6 the headboard shape overall, as well as the shapes of the molding and tufted
7 sections; (2) the contrasting color on Coaster's headboard between the outer
8 molding and the tufted portion that is not present in the Home Meridian product; (3)
9 the color contrast between the molding and the center section on Coaster's footboard
10 is more pronounced than on the Home Meridian footboard; (4) the color contrast on
11 the drawers of the chest and nightstand is more pronounced than on the
12 corresponding Home Meridian products; (5) the location of the band of mirrored
13 elements on the footboards and dressers differ; (6) the shapes of the feet on all the
14 items differ; (7) the shapes of the mirrors on the dresser differ; (8) the presence of a
15 mirrored band on the nightstand on Coaster's nightstand, which is absent on your
16 client's nightstand; (9) thicker rails on Coaster's bed relative to your client's bed;
17 (10) differences in the finishes on the products; and, (11) differences in the hardware
18 on the case goods), and Defendant has not pointed to any concrete details supporting
19 a likelihood of confusion.

20 25. Coaster's Danette bedroom collection, which Defendant contends
21 infringes the product configuration trade dress regarding the design of Defendant's
22 Samuel Lawrence Platinum/Diva bedroom collection, is not covered by any valid
23 trade dress, if any, in the product design of Defendant's Samuel Lawrence
24 Platinum/Diva bedroom collection.

25 26. Even if Defendant can establish the validity of its claimed trade dress,
26 and that a likelihood of confusion exists between the parties' respective products,
27 Coaster alleges that the design of its Danette bedroom collection represents a fair
28 use of the claimed trade dress because the claimed trade dress is not being used to

1 identify the source of the product, but is being used, in good faith, to render the
2 product more aesthetically appealing, and not to create an association with
3 Defendant.

4 27. Accordingly, there exists an actual justiciable controversy between
5 Defendant and Coaster concerning whether any product configuration trade dress in
6 Defendant's Samuel Lawrence Platinum/Diva bedroom collection, if any, is
7 infringed by Coaster's Danette bedroom collection.

8 28. Coaster requests a judgment declaring that Coaster does not, and has
9 not, infringed any product configuration trade dress in Defendant's Samuel
10 Lawrence Platinum/Diva bedroom collection. Such a determination and declaration
11 is necessary and appropriate at this time so that the parties may ascertain their
12 respective rights and duties regarding the non-infringement of any product
13 configuration trade dress in Defendant's Samuel Lawrence Platinum/Diva bedroom
14 collection.

15 16 **COUNT II**

17 **(Invalidity of Unregistered Product Configuration Trade Dress Under the** 18 **Lanham Act)**

19 29. Coaster repeats and incorporates the facts and allegations of
20 paragraphs 1 through 28 above, inclusive, as though fully set forth herein.

21 30. Defendant's claimed product configuration trade dress in its Samuel
22 Lawrence Platinum/Diva bedroom collection is invalid and/or does not meet the
23 requirements for protection as product design trade dress – namely: (1) secondary
24 meaning and (2) non-functionality (including not aesthetically functional).

25 31. Defendant's claimed product configuration trade dress in its Samuel
26 Lawrence Platinum/Diva bedroom collection lacks secondary meaning because of,
27 on information and belief, at least the following:

28 a. Product design is not inherently distinctive, and it will be

- 1 Defendant's burden to prove the existence of secondary
2 meaning;
- 3 b. The primary significance of the design of the Samuel Lawrence
4 Platinum/Diva bedroom collection in the minds of consumers is,
5 in all likelihood, not Defendant, but the product itself – i.e.,
6 consumers do not associate the design of the Samuel Lawrence
7 Platinum/Diva bedroom collection with Defendant;
- 8 c. Any advertising of Defendant's Samuel Lawrence
9 Platinum/Diva bedroom collection has been inadequate to create
10 an association between the product design and Defendant in a
11 substantial enough percentage of consumers' minds;
- 12 d. Defendant has only been offering its Samuel Lawrence
13 Platinum/Diva bedroom collection for a short time (since 2013),
14 which is insufficient to develop secondary meaning in a product
15 design, particularly a common, generic product design;
- 16 e. Other companies in the furniture industry are selling bedroom
17 furniture with the same or similar design features, which would
18 make it more difficult for Defendant to establish secondary
19 meaning in its design;
- 20 f. Coaster did not intentionally copy Defendant's design; and, even
21 if Coaster intended to copy Defendant's design, which is not
22 admitted, it did so merely for the aesthetic features of the design
23 and not with any intent to create an association with Defendant
24 or to take advantage of any source-identifying aspects of the
25 Defendant's design, if any;
- 26 g. Coaster is unaware of, and has not been presented with by
27 Defendant or others, any evidence of actual confusion.
- 28 32. In addition, Defendant must, but cannot, prove that its claimed trade

1 dress is not functional, including that it is not aesthetically functional. Where a
2 product feature serves a significant non-trademark function, it may be
3 unprotectable. Here, Coaster alleges that the primary purpose of the design of the
4 Samuel Lawrence Platinum/Diva bedroom collection is aesthetic and product
5 appealability, and not source identification.

6 33. Furthermore, Coaster alleges that Defendant's claimed trade dress may
7 be generic in that its designs are a common form of the products, and the designs
8 are so common in the industry that they cannot be said to point to a particular
9 source.

10 34. Accordingly, there exists an actual justiciable controversy between
11 Defendant and Coaster concerning whether there exists any protectable product
12 configuration trade dress in Defendant's Samuel Lawrence Platinum/Diva bedroom
13 collection.

14 35. Coaster requests a judgment declaring that Defendant's asserted
15 product configuration trade dress in its Samuel Lawrence Platinum/Diva bedroom
16 collection is invalid, not protected, and/or does not exist. Such a determination and
17 declaration is necessary and appropriate at this time so that the parties may
18 ascertain their respective rights and duties regarding the validity, protectability,
19 and/or existence of any product configuration trade dress in Defendant's Samuel
20 Lawrence Platinum/Diva bedroom collection.

21 22 **COUNT III**

23 **(No Violation of North Carolina Unfair and Deceptive Trade Practices Act)**

24 36. Coaster repeats and incorporates the facts and allegations of
25 paragraphs 1 through 35 above, inclusive, as though fully set forth herein.

26 37. Assuming Defendant can prove that it has protectable rights in the
27 design of its Samuel Lawrence Platinum/Diva bedroom collection, Coaster has not,
28 nor has it ever, engaged in conduct that was unfair such that it was unscrupulous,

1 unethical, immoral, or against public policy, or deceptive such that it had the
2 capacity or tendency to deceive the consuming public with respect to Defendant's
3 Samuel Lawrence Platinum/Diva bedroom collection (or Samuel Lawrence itself) in
4 connection with Coaster's advertising, promoting, and/or offering for sale its
5 Danette bedroom collection.

6 38. In addition, Coaster is unaware of any actual damages suffered by
7 Defendant as a proximate result of Coaster's alleged conduct referenced herein and
8 by Defendant in its April 20, 2015 cease and desist letter.

9 39. Furthermore, Coaster alleges that Defendant's claim under the North
10 Carolina Unfair and Deceptive Trade Practices Act is not viable in that it is
11 preempted by the Lanham Act based on the fact that Coaster did not have an
12 unscrupulous, unethical, immoral, unfair, or deceptive will in advertising,
13 marketing, and/or offering for sale its Danette bedroom collection for sale, and there
14 is nothing regarding this claim that differs in scope from Defendant's trade dress
15 infringement claim under the Lanham Act.

16 40. Accordingly, there exists an actual justiciable controversy between
17 Defendant and Coaster concerning whether Coaster violated the North Carolina
18 Unfair and Deceptive Trade Practices Act, as well as whether such a claim is
19 preempted by federal trademark law.

20 41. Coaster requests a judgment declaring that Coaster does not, and has
21 not, violated the North Carolina Unfair and Deceptive Trade Practices Act in
22 connection with its advertising, marketing, and/or offering for sale of its Danette
23 bedroom collection vis-à-vis Defendant's Samuel Lawrence Platinum/Diva
24 bedroom collection, and is not liable for any damages related thereto. Such a
25 determination and declaration is necessary and appropriate at this time so that the
26 parties may ascertain their respective rights and duties regarding the North Carolina
27 Unfair and Deceptive Trade Practices Act in connection with Coaster's advertising,
28 marketing, and/or offering for sale of its Danette bedroom collection vis-à-vis

1 Defendant's Samuel Lawrence Platinum/Diva bedroom collection.

2
3 **COUNT IV**

4 **(No Violation of North Carolina Common Law Unfair Competition)**

5 42. Coaster repeats and incorporates the facts and allegations of
6 paragraphs 1 through 41 above, inclusive, as though fully set forth herein.

7 43. Assuming Defendant can prove that it has protectable rights in the
8 design of its Samuel Lawrence Platinum/Diva bedroom collection, Coaster has not,
9 nor has it ever, engaged in conduct that was unfairly competitive with respect to
10 Defendant's Samuel Lawrence Platinum/Diva bedroom collection (or Samuel
11 Lawrence itself) in connection with Coaster's advertising, promoting, and/or
12 offering for sale its Danette bedroom collection.

13 44. In addition, Coaster is unaware of any actual damages suffered by
14 Defendant as a proximate result of Coaster's alleged conduct referenced herein and
15 by Defendant in its April 20, 2015 cease and desist letter.

16 45. Furthermore, Coaster alleges that Defendant's claim for unfair
17 competition under North Carolina law is not viable in that it is preempted by the
18 Lanham Act based on the fact that Coaster did not have or engage in any unfairly
19 competitive motives in advertising, marketing, and/or offering for sale its Danette
20 bedroom collection for sale, and there is nothing regarding this claim that differs in
21 scope from Defendant's trade dress infringement claim under the Lanham Act.

22 46. Coaster believes that Defendant is attempting to enforce rights that do
23 not exist in an unlawful attempt to stifle legitimate competition by Coaster. The
24 various design elements in Defendant's Platinum/Diva bedroom collection have
25 long been used by others in the furniture industry for their aesthetic appeal, and not
26 as source identifiers. Coaster's Danette bedroom collection employs these well-
27 known design elements for aesthetic appeal and not as source identifiers, and not in
28 an attempt to create an association with Defendant. Coaster is a well-established

1 company that extensively markets itself and its product, and it has no need to even
2 attempt to create an association with Defendant. The result is Defendant's attempt
3 to claim common design elements as source identifiers in the form on an
4 unregistered product configuration trade dress claim that is unsupported, and that
5 results in a vague, nebulous claim that is not supported by any rights such as a trade
6 dress registration, a copyright registration, or a design patent.

7 47. Accordingly, there exists an actual justiciable controversy between
8 Defendant and Coaster concerning whether Coaster unfairly competed with
9 Defendant under North Carolina law, as well as whether such a claim is preempted
10 by federal trademark law.

11 48. Coaster requests a judgment declaring that Coaster does not, and has
12 not, unfairly competed with Defendant under North Carolina law in connection with
13 its advertising, marketing, and/or offering for sale of its Danette bedroom collection
14 vis-à-vis Defendant's Samuel Lawrence Platinum/Diva bedroom collection, and is
15 not liable for any damages related thereto. Such a determination and declaration is
16 necessary and appropriate at this time so that the parties may ascertain their
17 respective rights and duties regarding under North Carolina's unfair competition law
18 in connection with Coaster's advertising, marketing, and/or offering for sale of its
19 Danette bedroom collection vis-à-vis Defendant's Samuel Lawrence Platinum/Diva
20 bedroom collection.

21
22 **PRAYER FOR RELIEF**

23 WHEREFORE, Coaster respectfully requests that this Court enter a judgment
24 in its favor and against Home Meridian as follows:

- 25 (1) Declaring that Home Meridian does not possess any enforceable rights
26 in its alleged unregistered trade dress in the product design of its
27 Platinum/Diva bedroom collection, and/or that Coaster does not
28 infringe Home Meridian's alleged unregistered trade dress, if any, in

1 the product design of its Platinum/Diva bedroom collection;

2 (2) Declaring that Coaster has not violated the North Carolina Unfair and
3 Deceptive Trade Practices Act;

4 (3) Declaring that Coaster has not violated North Carolina unfair
5 competition law;

6 (4) Deeming this to be an “exceptional case” within the meaning of 15
7 U.S.C. § 1117(a)(3), and awarding Coaster its attorneys’ fees,
8 expenses, and costs incurred herein;

9 (5) Deeming this case to be worthy of an award of costs and attorneys’
10 fees to Coaster under N.C. Gen. Stat. § 75-16.1; and,

11 (6) Awarding Coaster such other and further relief as this Court may deem
12 just and proper.

13
14 Respectfully submitted,
15 CISLO & THOMAS LLP
16

17 Dated: May 1, 2015

18 By: /s/Daniel M. Cislo
19 Daniel M. Cislo
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